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TAGS: ELAB, UK, PINT

SUBJECT: AFTER THE WAR IS OVER: INDUSTRIAL STABILITY
BEYOND FEBRUARY 28 -- AN ASSESSMENT

1. BEGIN SUMMARY: AS THE ELECTORAL CAMPAIGN ENTERS ITS
FINAL PHASE, WITH INDUSTRIAL RELATIONS ONE OF THE
IMPORTANT BASIC ISSUES, A CENTRAL QUESTION FOR THE
FUTURE IS WHETHER LABOR-MANAGEMENT STABILITY IS
POSSIBLE UNDER ANY NEW GOVERNMENT. EACH OF THE
POLITICAL PARTIES CLAIMS THAT IT ALONE CAN SUCCEED IN
BRINGING A SENSE OF ORDER AND DISCIPLINE WITH SOCIAL
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JUSTICE TO LABOR-MANAGEMENT RELATIONS. WHAT, THEN,

ARE THE PROSPECTS AFTER THE ELECTIONS? END SUMMARY

2. A NUMBER OF ISSUES: THERE HAVE BEEN SEVERAL ISSUES, SUCH AS INFLATION, NATIONALIZATION, THE COMMON MARKET AND MOST RECENTLY -- THE TRADE DEFICIT -- WHICH HAVE BEEN SEIZED UPON BY PARTY ORATORS ON THE HUSTINGS. BUT INDUSTRIAL RELATIONS HAS REMAINED A KEY ISSUE IN THIS ELECTION -- AGAINST A BACKGROUND OF A STATE OF EMERGENCY AND A MAJOR STRIKE IN THE COAL INDUSTRY WHICH TRIGGERED IT AND THE ELECTION ITSELF. AND WHILE THE BEHAVIOR OF THE STRIKERS HAS BEEN MOST CIRCUMSPECT DURING THE CURRENT ELECTION PERIOD, THE COAL STRIKE ITSELF CANNOT BE FAR FROM THE CONSCIOUSNESS OF THE ELECTORATE. (THE DISPUTE, MOREOVER, HAS CONTRIBUTED DRAMATICALLY TO BUILDING UP OF PRE-ELECTION TENSION, PUNCTUATED AS IT WAS BY HOPES RISING AND HOPES DASHED, BY SERIOUS AS WELL AS BIZARRE INTERVENTIONS, BY A SURPRISE STORM OVER THE ARITHMETIC OF MINERS' PAY, AND NOT LEAST BY THE SERIOUS CHARGES LEVELLED BY CONSERVATIVE SPOKESMEN THAT AN EXTREMIST CONSPIRACY EXISTED WITHIN THE MINE UNION AND OTHER SECTORS OF THE TRADE UNION MOVEMENT).

3. THE CONSERVATIVE APPROACH - EACH OF THE PARTIES, IN ITS CAMPAIGN MANIFESTO, HAS EMPHASIZED THAT IT HOLDS THE KEY TO FUTURE INDUSTRIAL RELATIONS PEACE. THE CONSERVATIVES ARE CLEARLY STANDING ON THEIR RECORD, WHICH THEY CHARACTERIZE AS ONE OF "FIRMNESS WITH FAIRNESS." IF RETURNED TO POWER, THEY PLAN TO CONTINUE A STATUTORY INCOMES POLICY, BUT ARE PREPARED TO "DISCUSS" A VOLUNTARY FORM OF IT, WITH BOTH SIDES OF INDUSTRY. THEY ARE COMMITTED TO RETAINING THE INDUSTRIAL RELATIONS ACT, ALTHOUGH THEY ARE STRESSING THAT THEY ARE OPEN TO SUGGESTIONS ABOUT HOW IT MAY BE MODIFIED. IN SOME RESPECTS, THEY ARE SUGGESTING "TOUGHENING-UP" ACTION SUCH AS LEGISLATION TO MAKE UNIONS SHARE THE COST WITH THE SOCIAL SECURITY SYSTEM, FOR PAYMENTS TO STRIKERS' FAMILIES, AND FOR POSTAL BALLOTS IN UNION ELECTIONS TO INSURE GREATER PARTICIPATION. AT THE SAME TIME, THE CONSERVATIVES EMPHASIZE THEIR INTENTION LIMITED OFFICIAL USE

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TO CONTINUE TO STRUCTURE THEIR FISCAL AND SOCIAL POLICIES SO AS TO PROVIDE GREATER BENEFIT FOR THOSE LEAST ABLE TO FEND FOR THEMSELVES, THE AGED AND WORKERS NOT PROTECTED BY POWERFUL UNIONS. THEY ARE PROUD OF THEIR RECORD IN IMPROVING THE LOT OF PENSIONERS AND RECENTLY PASSED A LAW WHICH WILL ADJUST PENSIONS TO COST OF LIVING CHANGES SEMI-ANNUALLY RATHER THAN ANNUALLY, AS HAD BEEN THE CASE. THEY ARE ALSO COMMITTED

TO LOOK AT SOME FORM OF WORKERS PARTICIPATION IN
INDUSTRY.

4. THE LABOR APPROACH - THE LABOR PARTY, ON THE OTHER
HAND, HAS PROMISED A QUICK SETTLEMENT OF THE COAL
STRIKE, COUPLED WITH AN URGENT MOVE TO GIVE THE COAL
INDUSTRY "A NEW STATUS, PERSPECTIVE AND SECURITY."
IT IS COMMITTED TO SWEEPING CHANGES IN THE INDUSTRIAL
RELATIONS AREA: REPEAL OF THE EXISTING INDUSTRIAL
RELATIONS ACT, A VOLUNTARY INCOMES POLICY, ABOLITION
OF THE PAY BOARD, ESTABLISHMENT OF A ROYAL COMMISSION
TO DEAL WITH INCOME DISTRIBUTION, AND NEW MACHINERY

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TO CONCILIATE AND ARBITRATE LABOR-MANAGEMENT DISPUTES AT ALL LEVELS. LABOR ALSO PROPOSES TO INTRODUCE "STRICT PRICE CONTROLS ON KEY SERVICES AND COMMODITIES," IMPROVE PENSIONS, ASSIST THE POOR AND THE DISABLED THROUGH SPECIAL SCHEMES AND SYSTEMS, INSTITUTE HOUSING AND LAND USE REFORM, AND TO USE THE TAX STRUCTURE TO REDISTRIBUTE INCOME AND WEALTH. LABOR PROMISES, IN SHORT, TO "SET A CLIMATE FAIR ENOUGH TO WORK TOGETHER WITH THE UNIONS."

5. THE LIBERAL PARTY WOULD ALSO REPEAL THE INDUSTRIAL RELATIONS ACT, ESTABLISH A STATUTORY MINIMUM WAGE, LIMITED OFFICIAL USE

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INTRODUCE THE CONCEPT OF "INDUSTRIAL PARTNERSHIP" THROUGH A SYSTEM OF WORKER PARTICIPATION IN MANAGEMENT, INCLUDING ESTABLISHMENT OF WORKS COUNCILS AND A PROFIT SHARING SYSTEM. IT WOULD PROMULGATE A UNIQUE SYSTEM OF CONTROLS ON PRICES, DIVIDENDS, AND WAGES BY "CLAWING BACK" IN TAX SURCHARGES ALL INCREASES IN THESE FACTORS WHICH EXCEED AN AGREED ANNUAL RATE. MOREOVER, THE LIBERALS PROMISE HEALTH AND HOUSING REFORMS, THE ABOLITIONS OF A MEANS TEST AND ITS SUBSTITUTE BY INCOME TAX CREDITS TO THE NEEDY.

6. THE TUC POSITION -- THE TUC IS BITTERLY OPPOSED TO THE PRESENT INDUSTRIAL RELATIONS ACT, AND WHILE FAVORING STRICT PRICE CONTROLS AND FOOD SUBSIDIES, IS OPPOSED TO COMPULSORY WAGE CONTROLS. THE TUC IS PREPARED TO ACCEPT SOME FORM OF LEGISLATION TO REPLACE THE INDUSTRIAL RELATIONS ACT, BUT MAINLY WISHES TO RETURN TO CONDITIONS EXISTING BEFORE THE ACT CAME INTO FORCE. IT HAS ALSO INDICATED THAT THE TRADE UNIONS ARE PREPARED TO ACCEPT SOME FORM OF WAGE RESTRAINT IN RETURN FOR A GOVERNMENT WHICH WOULD PUT INTO EFFECT MEASURES OF "SOCIAL EQUITY AND ECONOMIC ADVANCE," REFLECTED MOST CLOSELY, IN ITS VIEW, BY THE LABOR PARTY PROGRAM. HOWEVER, THE TUC SAYS IT IS PREPARED TO WORK WITH ANY PARTY WHICH MEETS ITS CRITERIA. THE CONSERVATIVE PROGRAM HAS LITTLE APPEAL TO THE TUC, ALTHOUGH THE LIBERALS DO OFFER SEVERAL IDEAS WHICH HAVE SOME STRONG ATTRACTION TO THE TRADE UNIONS.

7. THE CBI VIEW - THE CBI HAS NO FORMAL POLICY WITH REGARD TO REPEAL OF THE INDUSTRIAL RELATIONS ACT, AND SOME EMPLOYERS BELIEVE THAT MANY PARTS OF THE ACT ARE USEFUL. CAMPBELL ADAMSON, CBI DIRECTOR-GENERAL, IN A PERSONAL STATEMENT FEBRUARY 27, CALLED FOR THE

REPEAL OF THE ACT, DECLARING THAT UNIONS AND EMPLOYEES SHOULD NOW TRY TO REPAIR THE TROUBLE THE ACT HAD BROUGHT AND PROVIDE A REASONABLE GUARANTEE OF PEACEFUL INDUSTRIAL RELATIONS TO THE BRITISH PEOPLE. (ADAMSON'S STATEMENT CREATED ANOTHER FUROR IN THE CAMPAIGN AND WAS QUOTED BY HAROLD WILSON AS PROOF THAT THE LAW "HAD POISONED INDUSTRIAL RELATIONS." LATER CBI PRESIDENT LIMITED OFFICIAL USE

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MICHAEL CLAPHAM ISSUED A DENIAL THAT THE CBI WAS SEEKING THE LAW'S REPEAL BUT AGREED THAT IT WAS IN NEED OF MAJOR AMENDMENTS.)

8. FUTURE PROSPECTS - WHILE BRITISH BOOKMAKERS MAY BE RECEIVING MANY BETS ON TOMORROW'S ELECTIONS, IT IS UNLIKELY THAT MANY WOULD WAGER ON THE PROSPECTS OF INDUSTRIAL PEACE IN THE POST-ELECTION PERIOD, AT LEAST IN THE SHORT RUN. WHICHEVER MAJOR PARTY ULTIMATELY BECOMES THE NEXT GOVERNMENT-- ALONE OR IN COALITION -- IT WILL FACE THE SAME BASIC SET OF ECONOMIC CIRCUMSTANCES: 1) INCREASING INFLATIONARY PRESSURES FROM SOARING ENERGY PRICES, HIGHER WAGE COSTS AND ENERGY CONSTRAINED OUTPUT; 2) A HUGE CURRENT ACCOUNT DEFICIT, ONLY PARTLY DUE TO THE INCREASED OIL PRICES. DESPITE THE PROSPECTS FOR SHORT TERM BORROWING TO OFFSET ON CAPITAL ACCOUNT THE CURRENT ACCOUNT DEFICIT, RESTRICTION OF CONSUMPTION TO CHANNEL RESOURCES INTO EXPORTS WILL BE ONE NECESSARY ECONOMIC POLICY. ANOTHER WILL BE SOME SORT OF CONTROL OF WAGES AND PRICE INCREASES.

9. THE CONSERVATIVES

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DO EXPECT TO OCCUR, INCLUDING A NUMBER OF UNIONS WHICH HAVE MADE HASTE TO SECURE AGREEMENTS UNDER STAGE THREE BEFORE THE ELECTION, IS THAT EITHER A LABOR OR CONSERVATIVE GOVERNMENT WILL BE FORCED TO RESORT TO A WAGE FREEZE IN ORDER TO CONTROL INFLATION.

10. PROSPECTS IN THE LONGER RUN MAY BE MORE HOPEFUL. NO GOVERNMENT CAN EXPECT TO IMPOSE A SET OF INDUSTRIAL RELATIONS GROUND RULES WITHOUT SOME SORT OF CONSENSUS -- AS THE HISTORY OF THE INDUSTRIAL RELATIONS ACT HAS DEMONSTRATED. IT IS MORE LIKELY THAT, ANY PUBLIC "TOUGH-TALKING" ASIDE, EVEN A CONSERVATIVE GOVERNMENT
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WILL TRY TO DEVELOP MORE EFFECTIVE SYSTEMS OF COMMUNICATION WITH BOTH SIDES OF INDUSTRY THAT IT HAS SO FAR EVIDENCED, INCLUDING MAJOR CHANGES IN THE PRESENT LAWS GOVERNING INDUSTRIAL RELATIONS.

11. THE PROBLEM IS VASTLY COMPLICATED BY THE FACT THAT INDUSTRIAL RELATIONS IS ENTANGLED WITH THE POLITICAL PARTY STRUCTURE AND IS AFFECTED BY EXTREMIST IDEOLOGICAL PRESSURES WITHIN THE UNIONS. A DEEP AND PERSUASIVE SENSE OF CLASS-CONSCIOUSNESS -- WHICH IS MUCH MORE INTANGIBLE AND THEREFORE IMPOSSIBLE TO QUANTIFY -- HAS TENDED TO EXACERBATE LABOR-MANAGEMENT CONFLICT. IDEOLOGICAL EXTREMISM AND CLASS-CONSCIOUSNESS TEND TO REINFORCE EACH OTHER, AND RECENT UNION ELECTIONS SHOW AN INCREASED PREFERENCE FOR EXTREME LEFT LEADERSHIP BY THE RANK-AND-FILE. EVEN RIGHT-WING UNION LEADERS, SUCH AS FRANK CHAPPLE, ATTRIBUTE THE BREAK-DOWN OF INDUSTRIAL RELATIONS IN LARGE PART TO CLASS DIVISIONS BETWEEN THE WORKER AND HIS EMPLOYER.

12. IMPORTANT AS IT IS, HOWEVER, CLASS-CONSCIOUSNESS
MAY BE EXAGGERATED AND IS ONLY ONE FACTOR IN THE
EQUATION. THERE IS IN FACT SOME EVIDENCE THAT THE
MODERATE SECTORS OF TRADE UNION AND INDUSTRY ARE
INCREASINGLY RECOGNIZING THE NEED FOR GROUND RULES
IF THE UK IS TO AVOID, AS HERMAN KAHN SUGGESTS,
BECOMING ANOTHER PORTUGAL. IN THE LONGER RUN -- THE
MODERATE VIEW, ACCOMPANIED BY PROGRESS TOWARD A MORE
EGALITARIAN SOCIETY - MAY PREVAIL. BUT, FOR THE
SHORTER RUN, THE POSSIBILITIES ARE LESS HOPEFUL.
BRITISH INDUSTRIAL RELATIONS FOR THE NEXT SEVERAL
YEARS ARE LIKELY TO BE TROUBLED, DIFFICULT AND
CONTENTIOUS, NO MATTER WHICH GOVERNMENT IS IN POWER.

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